



Missouri Department of Natural Resources Division of Energy

MISSOURI ENERGY BULLETIN

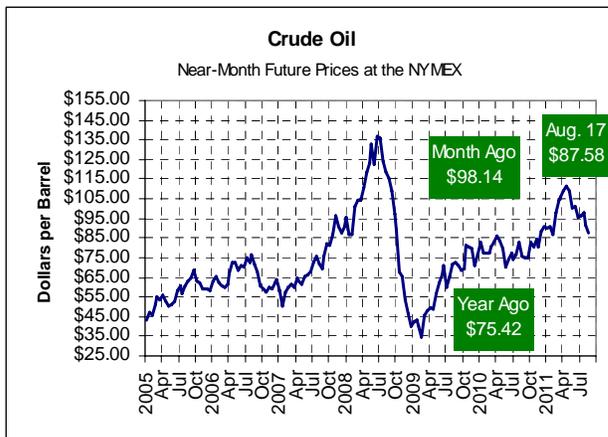
Aug. 22, 2011

Crude Oil

U.S. crude oil prices decreased \$10.56 to \$87.58 per barrel in the past month and stand 16 percent higher than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	08-17-11	07-20-11	change	08-18-10	change
NYMEX	\$87.58	\$98.14	down 11%	\$75.42	up 16%

- At the New York Mercantile Exchange (NYMEX) crude oil futures for Sept. delivery ended \$0.93, or 1.1 percent, higher Aug. 17 to close at \$87.58 per barrel, as the dollar fell against the euro and other currencies. Oil pared gains after an Energy Department report showed an unexpected increase in crude oil inventories and equities retreated. The decline of the dollar is increasing demand for commodities that are priced based on U.S. currency such as oil and gold.
- The dollar declined 0.3 percent to \$1.4451 against the euro. The Dollar Index fell 0.4 percent. The Standard & Poor's Goldman Sachs Commodity Index or GSCI of 24 raw materials rose 1 percent to 657.22. Twenty of the commodities advanced. The Strategic Petroleum Reserve is releasing stockpiles in coordination with the Paris-based International Energy Agency (IEA). The Energy



Department has delivered 20.4 million barrels (MMB) of oil from emergency reserves since July 17. The government sold 30.64 MMB to companies in cooperation with the IEA. Crude oil stockpiles at Cushing, Oklahoma, the delivery point for the New York contract, declined 893,000 barrels to 33.7 MMB, the lowest level since November, Energy Department figures showed. OPEC crude output increased in July to the highest level since December 2008, led by gains in Saudi Arabia and Angola. Production climbed 245,000 barrels per day, or 0.8

percent, to average 29.565 MMB/D, according to the survey of oil companies, producers and analysts.

- Compared to this time last year, the U.S. crude oil futures settlement price of \$87.58 is \$12.16, or 16 percent, higher.

- Total petroleum products supplied to market over the last four-week period ending Aug. 12 averaged 19.4 MMB/D, down 0.1 percent compared to the similar period last year.
- According to the Aug. 17 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories increased 4.2 MMB for the week ending Aug. 12. U.S. crude supplies are now 0.2 MMB lower than at this time last year.
- Crude imports for the week ending Aug. 12 were 9.3 MMB/D, up 187,000 barrels from the prior week. Imports at this time last year averaged over 9.6 MMB/D. Crude oil inventories represent 22.9 days of forward cover compared to 23.1 days at this time last year.
- U.S. refinery crude runs were down 155,000 barrels per day with refiners processing over 15.8 MMB/D of crude for the week ended Aug. 12. U.S. refinery capacity was 89.1 percent, down about 1.0 percent from the prior week and 1.0 percent lower than the 90.0 percent figure at this time last year.
- Gasoline output fell at 9.3 MMB/D on the week as supplies increased and consumer demand fell. Gasoline output is down 173,000 barrels per day compared to last week and down 170,000 barrels compared to last year at this time. Distillate output increased at 4.6 MMB/D for the week ending Aug. 12 and stand 308,000 barrels per day higher compared to the production level at this time last year.

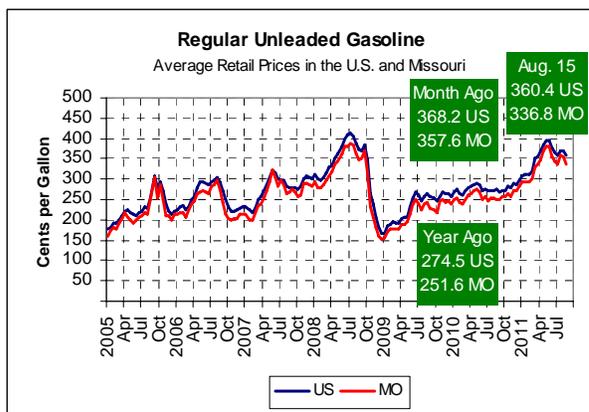
Transportation Fuels

On Aug. 15, Missouri's statewide average retail price for gasoline was \$3.37 per gallon, down nearly 21 cents or 6 percent in the past month and \$0.85 per gallon higher than at this time last year.

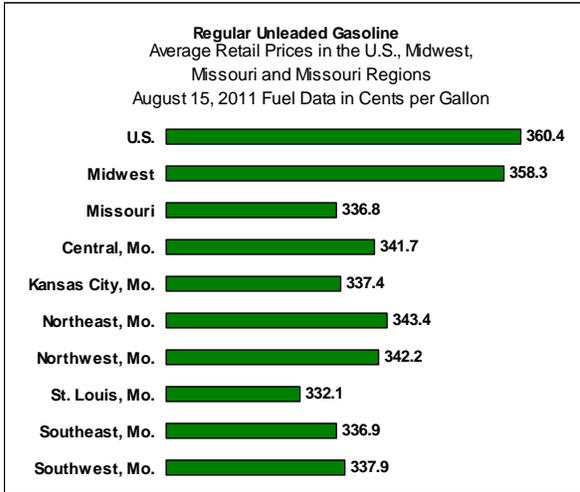
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	08-15-11	07-18-11	change	08-16-10	change
US	360.4	368.2	down 2%	274.5	up 31%
Missouri	336.8	357.6	down 6%	251.6	up 34%

Diesel Fuel - Retail Prices (cents per gallon)					
	08-15-11	07-18-11	change	08-16-10	change
US	383.5	392.3	down 2%	297.9	up 29%
Missouri	373.3	382.0	down 2%	284.1	up 31%

- On Aug. 15, Missouri's average retail price for gasoline was \$3.37, a decrease of nearly 21 cents in the past month. The average price for diesel fuel was down by about 9 cents in the past month. Missouri's average retail gasoline price is \$0.85 or 34 percent higher, while the average diesel fuel price is \$0.89, or 31 percent, higher for the comparable period in August 2010.

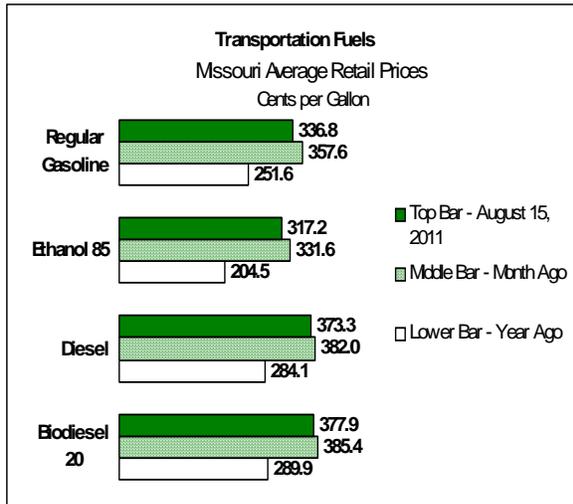


- The U.S. average price for regular gasoline was down about 8 cents per gallon or about 2 percent compared to last month at \$3.60 per gallon. The U.S. average was about \$0.86 cents or 31 percent higher compared to this time last year. In the past week, the U.S. average decreased by 7 cents per gallon.



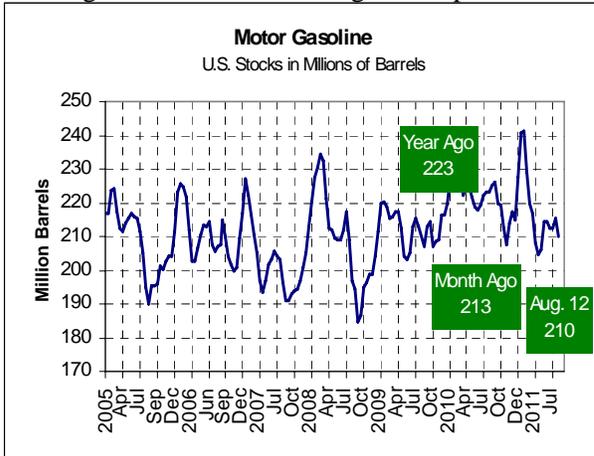
- Gasoline imports increased to nearly 0.7 MMB/D for the week ending Aug. 12; about 44,000 barrels per day higher compared to the prior week yet 403,000 barrels per day lower than last year at this time.
- Implied demand for gasoline decreased the week ended Aug. 12 at 9.2 MMB/D, down 49,000 barrels per day from the prior week and 264,000 barrels per day lower compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged about 9.2 MMB/D, 288,000 barrels per day lower compared to the same 4-week period last year.

- U.S. gasoline supplies decreased 3.5 MMB at 210.1 MMB for the week ending Aug. 12. Gasoline inventories represent 22.9 days of supply for the United States based on implied demand during the past 4-week average. U.S. gasoline inventories are 13.3 MMB lower than at this time last year and now trend at near the mid-point of the five-year average for this time of year.



- Distillate stocks increased 2.4 MMB at 154.0 MMB and stand 20.2 MMB lower compared to the same period last year. Distillate demand was down at 3.6 MMB/D in the past week and down 121,000 barrels per day compared to the same period last year. On a four-week average, distillate demand is up 38,000 barrels compared to the same period last year at 3.74 MMB/D. On the week, distillate demand, which includes diesel fuel, kerosene and home heating oil, was down 393,000 barrels per day.

- On Aug. 15, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85



percent ethanol, was \$3.17 per gallon, 20 cents or about 6 percent lower than the average price for conventional motor gasoline.

- On Aug. 15, the average retail price for B20, diesel fuel containing 20 percent biofuel, was \$3.78 per gallon, 4.6 cents or about 1 percent, higher than the statewide average retail price for conventional diesel fuel.
- According to EIA's Aug. 9, 2011 *Short Term Energy Outlook*, EIA projects U.S.

gasoline prices to average about \$3.68 per gallon during the peak driving season (April through September). EIA expects the May national average price of \$3.91 per gallon will be the peak monthly average price this driving season.

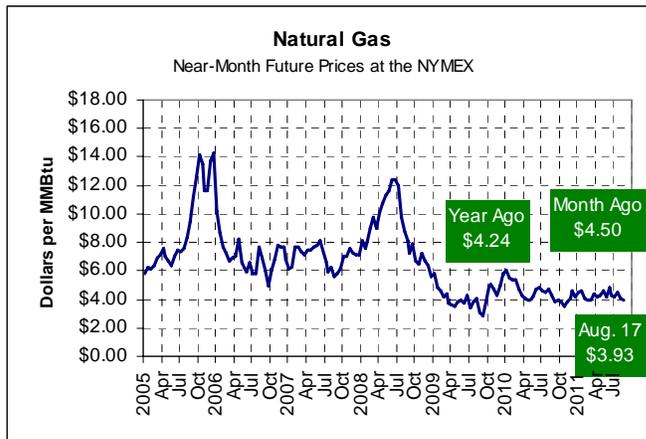
Natural Gas

Approximately 58 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

On Aug. 17, natural gas futures closed at \$3.93 per MMBtu, down 57 cents from a month ago and down 7 percent compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	08-17-11	07-20-11	change	08-19-10	change
NYMEX	\$3.93	\$4.50	down 13%	\$4.24	down 7%

- Natural gas futures for Sept. delivery decreased \$0.57 in the past month to a final closing price of \$3.93 per MMBtu on Aug. 17.
- At the NYMEX, for the trading week ending Aug. 17, natural gas futures decreased 7.0 cents per MMBtu to \$3.93.
- The price decrease was most likely due to declining temperatures during the trade week Aug. 10 to Aug. 17 that led to a considerable drop in consumption of natural gas for power generation. Power burn fell almost 19 percent week over week.



- Working gas in storage as of Aug. 12 totaled 2,833 Bcf, 2.5 percent below the 5-year average inventory level for the week according to EIA's *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 175 Bcf or 5.8 percent lower than last year at this time.

Propane

Approximately 13 percent (293,603) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

(Note: Beginning Apr. 2011, residential retail propane prices will be reported only for the first full week of each month through Sept. 2011)

On Aug. 1, the average Missouri retail price for residential propane was about \$2.00 per gallon, down 2.1 cents per gallon from last month and 19 percent higher compared to last year at this time.

Propane - Retail Prices (cents per gallon)					
	<u>08-01-11</u>	<u>07-05-11</u>	<u>change</u>	<u>08-02-10</u>	<u>change</u>
Missouri	200.5	202.6	down 1%	168.5	up 19%

- According to the Division of Energy's statewide propane price survey conducted August 1, retail residential propane prices were down 2.1 cents in the past month and stand nearly 32 cents per gallon or 19 percent higher than last year at this time.
- According to the survey conducted Aug. 1, the highest Missouri retail residential price for propane was \$2.50 per gallon while the lowest retail price was \$1.79 per gallon.
- For the week ending Aug. 12, U.S. inventories of propane increased as total stocks were up 787,000 barrels to end at 50.4 million barrels. Propane inventories are now 9.4 MMB lower compared to the same period last year. Implied demand for propane decreased 65,000 barrels for the week ending Aug. 12 and up 152,000 barrels per day compared to the demand level for this time last year.
- For the week ending Aug. 12, Midwest propane inventories increased 0.25 MMB. At 21.9 MMB, Midwest inventories are 4.8 MMB or about 18 percent lower than the 26.7 MMB reported at this time last year.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources' Division of Energy. The Division of Energy collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the division's Web address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; and Missouri's energy retailers. For more information, contact: MO Dept. of Natural Resources, Division of Energy, P.O. Box 176, Jefferson City, MO 65102-0176; Phone: (573) 751-3443 or (800) 361-4827; Fax: (573) 751-6860; E-mail: energy@dnr.mo.gov; Web Address: www.dnr.mo.gov/energy/transportation/fb.htm